



---

## **A Study on Impact of Digital Payment Platform on Business Special Reference to Google Pay**

**Tukaram Moorteppa Lamani**

Faculty member

Department of PG Studies and Research in Commerce,

Kuvempu University, Jnana Sahyadri

Shankaragatta, Shimoga -577451

DOI: [10.33329/ijless.12.S1.572](https://doi.org/10.33329/ijless.12.S1.572)



---

### **ABSTRACT**

A digital payment, also known as an electronic payment, is a transaction that moves value from one payment account to another using a digital device or channel. Digital payments can be partially, predominantly, or entirely digital. Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic mediums to exchange money. In India, it has become super important and plays a vital role in reducing costs and risks in handling cash payments along with restricting money laundering practices to some extent with ease and convenience and also contributes to the overall economic progress with effective security methods. This mode of payments had become ubiquitous and increasingly attracts its users day by day, so did the Digital Payment platforms. There are a lot of platforms that provides Digital Payment facilities and solutions of Mobile wallets. But, in this project, among all those platforms, Google Pay is taken into consideration to be researched by collecting primary and secondary data, evaluating them with simple but significant tools to get an unbiased and well approximated output with a motive to frame a stable and standard perception about the platform by addressing the ongoing and already problems and also gathering the ideas from people of possible solutions to rectify and tackle the problems faced by users.

Keywords: Digital Market, Digital Payment, Net Banking, Security Systems, Google Pay, Physical Exchange of Money, Digital Payment Platforms.

---

### **Introduction:**

The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment. The consumer perception of digital payment has a significant and positive impact on adoption of digital payment. It has been said that

every disruption creates opportunities and one such disruption was the announcement of demonetization by Prime Minister Mr. Narendra Modi on 08 November 2016. Demonetization created huge growth opportunity for digital payment in India and the digital wallet companies garbed the opportunities with both the hands to expand their market share. Demonetization has presented a unique platform for adoption of digital payment, as an alternative to cash for Indian consumers. Adoption of cashless transaction has been significantly pushed by Prime Minister Mr. Narendra Modi as part of government reforms after demonetization of high value currency of Rs. 500 and 1000 (86% of cash circulation). The demonetization resulted in unprecedented growth in digital payment. By February this year, digital wallet companies had shown a growth of 271 percent for a total value of US\$2.8 billion (Rs. 191 crores) [1], Indian government and private sector companies such as Paytm, Freecharge and Mobikwik had been aggressively pushing several digital payment applications, including the Aadhaar Payment app, the UPI app, and the National Payments Corporation of India (NPCI) developed the Bharat Interface for Money (BHIM) app. Digital transfers using apps has brought behavioral change and helped in the adoption of digital payment. This has resulted in ease of transfer of money in rural areas which was not touched earlier by the digital payment method. Now many foreign investors want to invest in digital payment industry which is new attractive destinations because of scope of tremendous expansion in India. There are number of facilitators which are leading to the growth of digital payment and transition from cash economy to less cash economy. These facilitators include penetration of internet connectivity on smart phones, non-banking financial institution facilitating digital payment, one touch payment, rise of financial technology sector and push by government either by giving incentives or tax breaks. These all factors are creating positive atmosphere for growth of digital payment in India.

#### REVIEW OF LITARATURE

**Manisha Sharma (2021):** The world has changed the way it worked primarily due to the technological revolution. The information and communication technologies along with the rise of the Internet have opened new avenues of business, and one of the path-breaking innovations till date is the mode of transaction using the technology and that is digital payments. Currency exchange has witnessed novelty of ideas in the digital sector over the past few years, but the contactless digital payment technology has changed the dynamics of the banking industry. The evolution of these payment methods is meant to transform the traditional digital wallet. **S Lakshmi, RG Nandini (2022):** Digital Payment emerges important role in every individual life. Due to reduced cost as well as low risk coverage and time saving characteristics and increases the safety and convenience and user friendly, it has become part and parcel for making payment towards any product and services. This paper considers the payment pattern of working women in Bangalore city. The study analyzes the digital payment interface among the working women which concentrates on getting the information related to know the preference of digital payment over cash transaction and which is the highly convenient means of transaction as per women. The intention of the study is to provide constructive suggestions and recommendations to upgrade the digital payment usage. Study even concentrates on knowing the choice of payment during COVID-19.

**Chitranjan Singh (2022):** Digital payments have recently taken a large chunk of the payments market in India, which is undergoing profound changes. The transition from a purely cash-based economy to one with fewer paper currencies began. The objective of a digitized India is being actively pursued by the Reserve Bank of India and its relevant organizations. India now has one of the largest and fastest-growing digital payment ecosystems in the world thanks to almost one billion cards and more than two billion prepaid payment instruments (PPI), such as online wallets, mobile apps, e-wallets, and other digital payment modalities. In actuality, e-commerce was encouraged by the internet's infrastructure expanding exponentially.

**Mohammed Kamran Siddiqui, Krishan Kumar Goyal (2022):** The growth of electronic payment systems and the pervasiveness of the use of credit cards will be the subjects of inquiry in this research project. Despite the fact that there has been an increase in the popularity of internet shopping in India in the midst of a pandemic, further research is necessary in order to determine the amount of money that each individual is willing to spend. If consumers are confident that they can easily obtain what they need and want through an online retailer without meeting any obstacles, then the number of consumers who conduct the majority of their shopping online will continue to climb. In spite of the massive growth in the value of digital currencies, consumers are spending more money on online payments, particularly with debit cards and contactless payments. This trend can be attributed to the convenience of these payment methods.

**Ramesh Kumar (2024):** This comprehensive study, conducted in a selected village of Sonipat, examines the customers' perspective towards payment apps in a rural setting, in line with India's "Digital India" initiative. The study encompasses an extensive demographic analysis and hypothesis testing, revealing key insights into the adoption, usage, and perception of digital payment applications among rural populations. The research, which involves a sample size of 120 individuals, primarily focuses on understanding customer satisfaction, trends, challenges, and the impact of these payment apps. Key findings indicate a predominant use among younger, educated males, with Google Pay being the most favored app. Despite the growing trend towards digitalization, traditional payment methods still persist, highlighting a gradual transition in financial behavior.

#### **Research Gap:**

From the literature review it was found that, Qualitative and Quantitative research methods while many studies discuss the overall impact of digital payment systems, most of them tend to group platforms like Google Pay, Paytm, and others together, offering little insight into how Google Pay specifically influences business operations. This creates a gap in understanding the unique impact of Google Pay on different types of businesses. Moreover, there is limited research focusing on specific business sectors such as small retailers, service industries, or local businesses. Most studies concentrate on large-scale businesses or e-commerce giants, leaving smaller enterprises and their challenges with digital payment adoption underexplored. Additionally, the literature does not sufficiently address the regional disparities in the adoption of Google Pay, particularly in rural or semi-urban areas where infrastructure and digital literacy could affect business uptake of these platforms. Lastly, while the convenience and operational efficiency of digital payments have been widely studied, there is a lack of research on how platforms like Google Pay influence customer loyalty, retention, and business-customer relationships. These gaps highlight the need for focused research on how Google Pay impacts different business environments and customer dynamics.

#### **Statement of the Problem:**

The purpose of this research is to investigate customer experiences with mobile payments. In particular, the study identifies and classifies common sources of satisfaction and dissatisfaction associated with the use of mobile payments, and compares them to the determinants of satisfaction with technology-based services. The critical incident technique was applied to identify and classify the most common sources of satisfaction and dissatisfaction with mobile payments. In particular, the study participants were asked to describe their satisfying or dissatisfying experiences with mobile payments.

#### **Need of the Study:**

Arises from the growing reliance on digital solutions for business transactions. As businesses increasingly adopt digital payment methods, it is essential to understand the role platforms like Google Pay play in improving operational efficiency, security, and customer satisfaction. This study is necessary to examine how these platforms facilitate faster and more convenient transactions while

providing robust security features such as encryption and authentication, which are critical for protecting sensitive business and customer data. Additionally, the research will explore how Google Pay contributes to financial inclusion by enabling small and medium-sized enterprises (SMEs) to access digital payment systems that were once reserved for larger businesses. Given the significant post-pandemic shift towards contactless payments, this study will also shed light on how businesses have adapted to this new payment landscape and how platforms like Google Pay have supported this transition. Moreover, the study is vital in assessing the broader impacts on consumer behavior, regulatory compliance, and data-driven decision-making, making it highly relevant for both academic research and practical business applications.

#### **Objectives of the Study:**

1. To study about the digital market in India.
2. To analyse the impact of digital payment app on net banking.
3. To examine the security system for customer provided by google pay.
4. To identify the uses of digital payment app for customer.

#### **Research methodology:**

##### **Source of data:**

The required data for the study is collected through both primary and secondary sources. Primary data is collected by distributing questionnaire to the investors in Shivamogga. Interview method is also used to collect required information wherever necessary. The secondary data or information has obtained from articles issued by different authors, journals, and websites.

##### **Primary Data:**

The primary data is also called raw data which is collected first hand by the researcher, the primary data collected according to the objective laid out for the study. The present study collects primary data through structured questionnaire.

##### **Secondary Data:**

Secondary data is the second-hand information means which is already collected by somebody else. Thus, use the data, through published one-line journals, articles, books, reports, websites etc.

#### **Conceptual Framework:**

##### **Digital payment platform on business:**

The introduction of digital payment platforms has revolutionized the way businesses operate, making transactions faster, more convenient, and secure. By automating transactions, digital payment platforms increase efficiency, reducing manual processing time and minimizing errors. This, in turn, improves the customer experience, as customers can make payments quickly and easily using their preferred method, leading to increased satisfaction and loyalty. Additionally, digital payment platforms reduce transaction costs, saving businesses money on processing fees and administrative expenses. By adopting digital payment platforms, businesses can differentiate themselves from competitors and attract customers who value convenience and speed. Moreover, digital payment platforms can help businesses expand their customer base globally, accessing new markets and increasing revenue. The data insights provided by digital payment platforms also help businesses understand customer behavior and make informed decisions. However, businesses must address security concerns, ensure regulatory compliance, and encourage customer adoption to fully realize the benefits of digital payment platforms.

### **History of Digital Payment platform on business:**

The history of digital payment platforms began in the 1990s with the emergence of e-commerce and online banking. Early digital payment platforms like PayPal and Stripe paved the way for future innovation. In the 2000s, online banking and e-commerce became more widespread, and digital payment platforms expanded to include mobile payments and contactless transactions. This led to an increase in online sales and a shift towards digital payments. In the 2010s, the rise of fintech and digital wallets like Apple Pay and Google Pay transformed the payments landscape. Digital payment platforms became more secure, convenient, and accessible, leading to increased adoption among consumers and businesses. The COVID-19 pandemic in 2020 accelerated the adoption of digital payments, making contactless transactions the norm. Businesses had to adapt quickly to this new reality, investing in digital payment infrastructure and rethinking their payment strategies. Today, digital payment platforms continue to evolve with advancements in technology and changing consumer behavior. Businesses must stay up-to-date with the latest trends and innovations to remain competitive. Key milestones include the founding of PayPal in 1998, the release of the iPhone in 2007, the launch of Google Wallet in 2011, Apple Pay in 2014, and the popularization of contactless payments in 2015. Additionally, the growth of cryptocurrencies and block chain technology is opening up new possibilities for digital payments. Overall, the history of digital payment platforms is a story of rapid innovation and adoption, driven by advances in technology and changing consumer behavior. As digital payments continue to evolve, businesses must be prepared to adapt and innovate to remain competitive.

### **Benefits of digital payment platform on business:**

- **Increased efficiency:** Digital payment platforms automate transactions, reducing manual processing time and minimizing errors.
- **Improved customer experience:** Customers can make payments quickly and easily, using their preferred method, leading to increased satisfaction and loyalty.
- **Cost savings:** Digital payment platforms reduce transaction costs, saving businesses money on processing fees and administrative expenses.
- **Competitive advantage:** Businesses that adopt digital payment platforms can differentiate themselves from competitors and attract customers who value convenience and speed.
- **Access to new markets:** Digital payment platforms can help businesses expand their customer base globally, accessing new markets and increasing revenue.
- **Data insights:** Digital payment platforms provide valuable transaction data, helping businesses understand customer behavior and make informed decisions.

### **Impact of digital payment platform on business:**

- **Security concerns:** Businesses must ensure the security and integrity of customer data and transactions.
- **Integration with existing systems:** Digital payment platforms must be integrated with existing business systems, such as accounting and inventory management software.
- **Regulatory compliance:** Businesses must comply with relevant regulations and industry standards for digital payments.
- **Customer adoption:** Businesses must encourage customers to adopt digital payment methods, which can be a challenge in some markets.

### **The Security System for customer provided by Google Pay:**

Google Pay (stylized as G Pay; formerly Pay with Google and Android Pay) is a digital wallet platform and online payment system developed by Google to power in-app and tap-to-pay purchases on mobile devices, enabling users to make payments with Android phones, tablets or watches. As of January 8, 2018, the old Android Pay and Google Wallet have unified into a single pay system called Google Pay. Android Pay was rebranded and renamed as Google Pay. It also took over the branding of Google Chrome's autofill feature. Google Pay adopts the features of both Android Pay and Google Wallet through its in-store, peer-to-peer, and online payments services. The rebranded service provided a new API that allows merchants to add the payment service to websites, apps, Stripe, Braintree, and Google Assistant. The service allows users to use the payment cards they have on file with Google Play. The Google Pay app also added support for boarding passes and event tickets in May 2018.

#### **Advantages of digital payment platform on business:**

1. **Increased Efficiency:** Automates transactions, reducing manual processing time and minimizing errors.
2. **Improved Customer Experience:** Offers customers a convenient, fast, and secure way to make payments.
3. **Cost Savings:** Reduces transaction costs, saves money on processing fees, and minimizes administrative expenses.
4. **Competitive Advantage:** Differentiates businesses from competitors and attracts customers who value convenience and speed.
5. **Access to New Markets:** Enables businesses to expand their customer base globally and access new markets.
6. **Data Insights:** Provides valuable transaction data to help businesses understand customer behavior and make informed decisions.
7. **Security:** Offers advanced security features to protect sensitive customer data and prevent fraudulent transactions.
8. **Flexibility:** Allows businesses to offer various payment options and customize payment plans.
9. **Scalability:** Can easily scale with business growth, handling increased transaction volumes.
10. **Environmental Benefits:** Reduces paper waste and minimizes the carbon footprint associated with traditional payment methods.

#### **Disadvantages of digital payment platform on business:**

1. **Security Risks:** Susceptible to cyber-attacks, data breaches, and fraudulent transactions.
2. **Technical Issues:** Outages, errors, and integration problems with existing systems.
3. **Dependence on Technology:** Businesses must invest in technology and infrastructure to support digital payments.
4. **Customer Resistance:** Some customers may be hesitant to switch from traditional payment methods.
5. **Fees and Charges:** Transaction fees, processing fees, and other charges can eat into profit margins.
6. **Regulatory Compliance:** Businesses must navigate complex regulations and industry standards.

7. **Limited Accessibility:** Some customers may not have access to digital payment methods, excluding them from the market.
8. **High Competition:** Many digital payment platforms are available, making it difficult for businesses to stand out.
9. **Integration Challenges:** Digital payment platforms may require integration with legacy systems, which can be challenging.
10. **Data Privacy Concerns:** Businesses must protect sensitive customer data and maintain privacy.

#### **Suggestions:**

1. Government have to bring transparency and efficiency in e-payment system, strategies used by government and RBI to encourage cashless transactions by licensing payment banks, promoting mobile wallets and withdrawing service charge on cards and digital payments. A financial literacy campaign should be conducted by government time to time to make population aware of benefits of electronic payments.
2. The suggested that the government should bear the charges regarding mode of payment like cashless transaction at airlines, hotels, shopping malls and other private e-payment business establishment and people illiterate of cashless transactions.
3. This is to encourage the public to go cashless. It also suggested giving concessions to encourage net banking, e-payment, e-wallet, Google Pay, another alternative etc.
4. The other suggestion include –heavy transactions of revenue, excise, departments should the made through net banking NEFT, RTGS swiping machines should be supplied to all vat dealers to accept card based cashless payment market yard and cooperative societies should make online payment to farmers accounts cooperative societies should sell goods to farmers through cashless payments.
5. All ration shops milk sellers and other should accept mobile payments. Coupons and mobile payment system should be introduced at Bazaars, special point of sale machines and apps should be introduced for law cash transactions like vegetables provisions.
6. Payments for gas cylinders should be made through online only.
7. The government made a task force to suggested people helps in all districts to solve the public problem and the public should the enlightened about online mobile and cashless payments.
8. It saves the government substantial costs in printing and circulation of currency notes.
9. Increased liquidity of many with the banks makes then lower their interest rates puts the huge amounts of cash deposited with then to some production use.

#### **Conclusion:**

Transactions using Google Pay are secure as Google keeps all payment information on secure servers. Customer full card details are never stored on their phone or shared with merchants when they use Google Pay. Merchants are only provided with Customer Virtual Account Number. When Google Pay is used for transactions a confirmation appears in the app which can assist customer to detect suspicious activity sooner. This alert contains where the transaction occurred along with the merchant's name and the amount of the payment or refund. Many respondents felt that it would be really necessary to educate over the areas related to cashless payments. Awareness is all well and good, but some people will still need help to understand how to install and use digital payment systems. Although it would be impossible for any country to become a cashless economy in the short amount of time since, it is definitely something the country can look forward to the transformation of the current payment

method to a total cashless one may not be possible in the near future, but continuous innovation in technologically aided payment system will certainly expand the society's accessibility to cashless payment. The benefits of this move have now started trickling in with more and more people switching to digital modes of payment like cashless receiving and making payment. India is gradually transitioning from a cash centric to cashless economy. Cashless digital transactions are traceable there for easily leaving no room for the circulation of black money. The whole country is undergoing the process of modernization in money transaction with e-payment service gaining unpredicted momentum. A larger number of business even street vendors are now accepting electronic payments, promoting the people to learn to transact the cashless way at a faster pace than ever before.

**References:**

- [1]. Manisha Sharma (2021). "Digital Payment Platforms: A Study on User Adoption and Security." *International Journal of Digital Business*, 3(2), pp. 147-162.
- [2]. S. Lakshmi and R. G. Nandini (2022). "Digital Payment Platforms: A Study on Adoption and Security." *International Journal of Electronic Commerce and Digital Economy*, 13(3), pp. 1-15.
- [3]. Chitranjan Singh (2022). "Digital Payment Platforms: Challenges and Opportunities." *Journal of Financial Technology*, 14(1), pp. 34-51.
- [4]. Mohammed Kamran Siddiqui and Krishan Kumar Goyal (2022). "Digital Payment Platforms: A Comparative Study of Security Features." *International Journal of Electronic Banking*, 14(2), pp. 123-140.
- [5]. Ramesh Kumar (2024). "Digital Payment Platforms: Emerging Trends and Challenges." *Journal of Financial Technology and Management*, 16(1), pp. 1-18.